

Message Text

LIMITED OFFICIAL USE

PAGE 01 WARSAW 00539 200926Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 /086 W
-----076735 210226Z /63

R 200727Z JAN 78
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC 2814
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMCONSUL KRAKOW POUCH
AMCONSUL LENINGRAD
AMEMBASSY MOSCOW
AMCONSUL POZNAN POUCH
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY LONDON
AMEMBASSY PARIS

LIMITED OFFICIAL USE WARSAW 0539

USMISSION OECD PARIS

EO 11652N/A
TAGS: EFIN, EMIN, PL, US, COMECON
SUBJ: CHASE BANK'S SYNDICATED LOAN FOR POLAND TO BE SIGNED
JANUARY 20TH

1. LOCAL FIRST NATIONAL BANK OF CHICAGO REP TOLD EMBASSY
JANUARY 18 THAT THE LONG-AWAITED EURODOLLAR LOAN FOR COPPER-
MINE AND PROCESSING DEVELOPMENT AT LUBLIN, NEAR WROCLAW,
WILL NOW BE SIGNED IN LONDON ON JANUARY 20.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WARSAW 00539 200926Z

2. CONTRARY TO EARLIER REPORTS AND TO WHAT MAY HAVE BEEN
WISHFUL THINKING ON THE PART OF BANK HANDLOWY OFFICIALS IN
WARSAW, THE TOTAL AMOUNT OF THE SYNDICATE WILL BE ABOUT
\$250 MILLION AND NOT \$350 MILLION, WHICH WAS THE ORIGIN-
AL OBJECTIVE. PARTICIPATION, IN ADDITION TO CHASE, WHICH
IS SUBSCRIBING IN THE AMOUNT OF \$50 MILLION, WILL INCLUDE

THE FOLLOWING BANKS: FIRST NATIONAL OF CHICAGO (\$10 MILLION), CITIBANK (25), BANK OF AMERICAN (15), BANK OF MONTREAL (40), ORIAN, A CHASE SUBSIDIARY (15), NATIONAL WESTMINSTER OF LONDON (25), BANKERS TRUST (15), AND FIRST NATIONAL BANK OF PENNSYLVANIA (20).

3. THE INTEREST RATE WILL BE THREE EIGHTHS OF ONE PERCENT OVER LIBOR FOR THE FIRST FIVE YEARS AND ONE-HALF OF ONE PERCENT OVER LIBOR FOR THE REMAINING THREE YEARS. CHASE WILL RECEIVE A MANAGEMENT FEE OF ONE-SIXTEENTH OF ONE PERCENT OF TOTAL LOAN PLUS CERTAIN OTHER FEES.

4. COMMENT: ALTHOUGH NOTHING TO RAVE ABOUT AS FAR AS WESTERN SYNDICATE LOANS TO THE EAST GO THESE DAYS, THIS ONE NEVERTHELESS CARRIES A CERTAIN CACHET. IN ADDITION TO TAKING MORE THAN SEVEN MONTHS TO PUT TOGETHER, IT IS BEING MADE TO A COUNTRY ESTIMATED TO BE ABOUT \$12 BILLION IN DEBT TO THE WEST, CARRYING A TRADE DEFICIT (1977) OF ABOUT TWO BILLION DOLLARS, AND WITH NO EASY SOLUTION IN SIGHT FOR SOME OF ITS SERIOUS ECONOMIC PROBLEMS. AGAINST THIS BACKGROUND, WE EVALUATE IT AS FURTHER EVIDENCE OF POLAND'S CONTINUING ABILITY TO GET WESTERN ASSISTANCE AND MUDDLE THROUGH, REGARDLESS OF DEBTS AND DEFICITS. OTHER SIGNIFICANT FACTORS ARE, OF COURSE, THE STRONG DESIRE OF BOTH EAST AND WEST TO KEEP POLAND ON AN EVEN KEEL, POLAND'S RECORD OF BEING ABLE TO MEET ALL DEBT RE-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 WARSAW 00539 200926Z

PAYMENTS ON TIME, AND THE VERY CONSIDERABLE LIQUIDITY OF LARGE WESTERN BANKS.
DAVIES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, BANKS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978WARSAW00539
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780031-0936
Format: TEL
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780137/aaaabfnf.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 780ac7e1-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3735814
Secure: OPEN
Status: NATIVE
Subject: CHASE BANK'S SYNDICATED LOAN FOR POLAND TO BE SIGNED JANUARY 20TH
TAGS: EFIN, EMIN, PL, US, COMECON
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/780ac7e1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014